

1 5. On October 14, 2004, the State of Wisconsin Department of Financial Institutions
2 forwarded a consumer complaint to the Department on behalf of John and Ann Mueller. According
3 to the documentation, the Muellers entered into an agreement with Jubilee American Financial/Risk
4 Management Partners, Ltd. on September 13, 2002 and remitted \$13,739.00 to them, of which only
5 \$6,644.00 was forwarded to their creditors. Subsequently, Jubilee American Financial became
6 MMG, but retained the same ownership. On October 15, 2002, the Muellers received an
7 introductory letter from MMG stating that the couple's checking account would be drafted for
8 \$640.00 on the 25th of each month beginning October 25, 2002. The Muellers stated in their
9 complaint that they contacted the law firm for one of their creditors and discovered that MMG had
10 not attempted to settle their credit card debt as contracted.

11 6. On November 17, 2004, the Department received a letter and supporting
12 documentation from a former employee of MMG stating that MMG is a debt management company
13 that operates in concert with RMP. The former employee further stated that RMP is, "a dummy
14 corporation set up in Carson City, Nevada [in order] to avoid Arizona's licensing restrictions" and
15 further stated that RMP is not licensed as a debt management company in Nevada. The letter further
16 stated that RMP is a mail service set up to forward mail received by RMP to MMG for processing.

17 7. Among the documents furnished to the Department on November 17, 2004, was a
18 copy of an office memorandum on RMP letterhead, dated October 20, 2004, addressed to Regents &
19 Associates, a Houston, Texas-based law firm, indicating that RMP failed to settle a credit card debt
20 of \$1,098.00 with Citibank on behalf of a Sherrill J. Doty. Subsequently, Citibank retained Regents
21 & Associates who filed a judgment on behalf of their client. To satisfy the judgment, RMP wrote a
22 check on November 12, 2003 to Regents & Associates for \$1,098.00 from an RMP bank account.
23 That check was signed by Hyla Stanton, the President of MMG.

24 8. On November 24, 2004, Arizona resident Seller Gill, a customer of MMG and RMP,
25 sent to the Department copies of a series of emails exchanged between her and MMG. According to
26 MMG's website, www.mmgfinance.com, Ms. Gill has been a customer since May 2003 and has

1 referred creditors such as American Express, Bank of America, and Direct Merchants Bank to MMG
2 and RMP to negotiate account settlements on her behalf. Ms. Gill stated that she has visited MMG's
3 Scottsdale office on numerous occasions because creditors were harassing her for payment. MMG's
4 activity report for Ms. Gill shows that settlement payments have been debited from her account since
5 April 10, 2003. Ms. Gill received correspondence from RMP stating that if she receives collection
6 calls from creditors to report the problem to MMG. Ms. Gill stated that MMG issued her a password
7 that allows her to access her account by logging on to MMG's website.

8 9. Numerous Arizona residents who contracted with MMG/RMP for debt management
9 services including, but not limited to, Seller Gill, Doun L. McCarrick, Richard Rader, Andrew
10 Gongora and Dave Watson, paid monies over a period of time to MMG/RMP. MMG/RMP acted as
11 agents for the purpose of distributing said monies to the creditors of said Arizona residents. In many
12 cases, the creditors of the respective Arizona debtors have received no payment whatsoever. Fees
13 were paid by said Arizona residents to MMG/RMG for their debt management services.

14 10. The Department learned that on August 29, 2003, a lawsuit was filed by Sherry T.
15 and Charles L. Best against RMP and Jubilee American Financial in the U.S. District Court for the
16 Northern District of Illinois. The lawsuit alleges that Jubilee American Financial and RMP debited
17 monies from their checking account but failed to pay their creditors. Subsequently, the creditors
18 filed judgments against the Bests for defaulting on their accounts. On February 4, 2005, Tony Kim,
19 attorney for the Bests, provided the Department with a copy of the lawsuit which included a copy of
20 the contract the Bests signed, showing the Bests authorized Jubilee American Financial and RMP to
21 debit money from their account.

22 11. On October 22, 2004, the Department sent a letter to MMG stating that the
23 Department had reason to believe MMG was operating in Arizona without the benefit of a debt
24 management company license and gave the company until November 2, 2004, to respond.

25 12. On November 5, 2004, the Department received a written response from MMG's
26 attorney, Michael Gerity, stating that MMG engages in marketing the products and services of other

1 companies. Mr. Gerity stated that MMG is not engaged in the operation of a debt management
2 company as defined in A.R.S. § 6-701 since MMG does not receive money from debtors nor does it
3 distribute money to creditors.

4 13. According to the company's website, MMG discloses in part, that it accumulates
5 debtors' money to be held in a settlement account in a nationally chartered bank. Debtors receive a
6 monthly settlement account statement from MMG giving them the status on all transactions on the
7 account and updating them on the negotiation process with each creditor. It is further disclosed on
8 the website that MMG will begin the negotiation process with creditors when the debtor has
9 completed paying the retainer fee and had sufficient funds in the settlement account.

10 14. On January 18, 2005, the Department received a copy of a complaint filed by
11 Candace Cosner ("Mrs. Cosner") on June 28, 2004, against MMG and RMP, filed with the Better
12 Business Bureau of Northern Nevada, Inc. ("Nevada BBB"). The complaint stated that MMG
13 collected a total of \$1,019.00 from the Cosner's bank account, but failed to contact their creditors as
14 promised. On July 16, 2004, RMP sent a response letter to the Nevada BBB regarding the Cosner
15 complaint against MMG, stating that Mrs. Cosner was only entitled to a refund of \$210 from the
16 total amount of \$1,019 because the remainder consisted of fees owed to the company. A copy of the
17 debt management services agreement, attached to the RMP letter, states that the agreement is entered
18 into by and between Candace and Norman Roy Cosner, Jr. and Miracle Management Group/Risk
19 Management Partners, Ltd. Throughout the agreement and its attachments, MMG and RMP are
20 listed both jointly and separately as the companies through which the debt management services are
21 being rendered.

22 15. Based upon the above findings, the Department issued and served upon MMG, Ms.
23 Stanton and RMP an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to
24 Entry of Order ("Order to Cease and Desist") on June 2, 2005.

25 16. On July 1, 2005, Petitioners filed a Request For Hearing to appeal the Order to Cease
26 and Desist.

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CONCLUSIONS OF LAW

1. Pursuant to Title 6, Chapter 6 of the Arizona Revised Statutes, the Superintendent is charged with the duty to regulate all persons engaged in the business of a debt management company and with the enforcement of statutes, rules and regulations relating to debt management companies.

2. The conduct of MMG, Ms. Stanton and RMP, as described in the Alleged Findings of Fact, constitutes the conduct of a debt management company in the State of Arizona without having first applied for and obtained a debt management company license under Chapter 6 of Title 6, in violation of A.R.S. §§ 6-703 and 6-715.

3. MMG, Ms. Stanton and RMP do not meet any of the exemptions to the licensing requirements as a debt management company as set forth in A.R.S. § 6-702.

4. The violations set forth above constitute grounds for (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) directing Petitioners to pay restitution to any injured party pursuant to A.R.S. § 6-137(A); and (3) the imposition of a monetary civil penalty pursuant to A.R.S. § 6-132.

ORDER

1. MMG, Ms. Stanton and RMP shall immediately stop all unlicensed debt management company activity in Arizona.

2. MMG, Ms. Stanton and RMP shall, upon execution of this Consent Order, pay to the Department a civil money penalty in the amount of fifteen thousand dollars (\$15,000.00). MMG, Ms. Stanton and RMP are jointly and severally liable for payment of the civil money penalty. In the event the refunds referred to in paragraph 5 below are not paid by September 23, 2005, than the amount of the civil money penalty shall be fifty thousand dollars (\$50,000.00).

3. MMG, Ms. Stanton and RMP shall pay refunds to the individuals identified in paragraph 5 below. The refunds consist of the gross amount each claimant paid to MMG/RMP, less

any payments made to creditors of said individuals. MMG/RMP shall not be entitled to any fees paid or not paid as it relates to any respective individual identified in paragraph 5.

4. MMG, Ms. Stanton and RMP shall pay refunds to all Arizona clients whether or not they have been identified, pursuant to the terms of this Order. If an Arizona client is not paid pursuant to the terms of this Consent Order, then MMG, Ms. Stanton and RMP shall have twenty-one (21) days upon discovery of said nonpayment, to pay said Arizona client. Proof of said payment shall be made by supplemental affidavit and copy of cashier's check or other legitimate proof. If Arizona said client(s) are not paid within the twenty-one (21) day period, then the civil money penalty due shall be increased to fifty thousand dollars (\$50,000.00), pursuant to paragraph 2 of this Order.

5. MMG, Ms. Stanton and RMP shall pay refunds to all individuals referred to in the Affidavit of Hyla Stanton, President of MMG, and Interim President of RMP (the "Affidavit"), which is attached hereto as Exhibit A and incorporated herein by reference. The Affidavit shall indicate what clients MMG/RMP has paid, the amount they have been paid, and that the ACH debit authorization cancellation has been executed for each client. The Affidavit shall identify the clients as Arizona residents and out-of-state residents. The out-of-state clients that have been identified to date shall be refunded in the same fashion as the Arizona clients. The identified out-of-state clients are:

Benefatti, Charles and Delores	\$ 4,000.00	
Child, Jaime	1,699.00	
Ferucci, Maria	7,471.12	
Garcia, Deborah Mahar	2,348.00	
Graffeo, Mary T.	5,565.29	
Hall, Theresa	4,405.49	
Johnson, Antone	4,675.00	
Kozma, Michael A.	0.00	
Merie, Mo	4,169.00	
Minton, Jeff	4,047.03	
Mitchell, Andrew James	10,711.75	
Montville, Daniel	2,409.00	
Mueller, John and Ann	7,095.00	
Rukasin, Monique	7,000.00	(monies refunded/proof to be provided)

Saunders, Gregg	5,025.00	(monies refunded/proof to be provided)
Smith, Richard P.	4,929.00	
Snyder, Bill	6,917.66	
Spataro, Jeannie	4,168.01	
Vasquez, Suzanne (Emile)	2,799.00	
Wooten, Brenda and Robert	5,218.00	
Zbytniewski, Charles and Kristy	1,219.00	(monies refunded/proof to be provided)

TOTAL: \$95,871.35

6. MMG, Ms. Stanton and RMP shall provide refunds to any other Arizona residents, not yet identified, pursuant to the terms of this Consent Order.

7. The provisions of this Order shall be binding upon Petitioners, their employees, agents and other persons participating in the conduct of the affairs of Petitioners.

8. This Order shall become effective upon service, and shall remain effective and enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated or set aside.

SO ORDERED this 26th day of August, 2005.

Richard C. Houseworth
Superintendent of Banks

By Felecia A. Rotellini
Felecia A. Rotellini
Assistant Superintendent of Banks

CONSENT TO ENTRY OF ORDER

1. Petitioners acknowledge that they have been served with a copy of the foregoing Alleged Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.

2. Petitioners admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Alleged Findings of Fact, Conclusions of Law, and Order.

3. Petitioners state that no promise of any kind or nature has been made to induce them

1 to consent to the entry of this Order, and that they have done so voluntarily.

2 4. Petitioners acknowledge that the acceptance of this Agreement by the Superintendent
3 is solely to settle this matter and does not preclude this Department, any other agency or officer of
4 this state or subdivision thereof from instituting other proceedings as may be appropriate now or in
5 the future.

6 5. Hyla Stanton, on behalf of Miracle Management Group, Inc. and herself, represents
7 that she is the President, and that, as such, has been authorized by Miracle Management Group, Inc.
8 to consent to the entry of this Order on its behalf.

9 6. Hyla Stanton, on behalf of Risk Management Partners, Ltd., represents that she is the
10 Interim President, and that, as such, has been authorized the Risk Management Partners, Ltd. to
11 consent to the entry of this Order on its behalf.

12 7. Petitioners waive all rights to seek judicial review or otherwise to challenge or contest
13 the validity of the Cease and Desist Order or Notice of Hearing.

14 DATED this 26th day of August, 2005.

15 By: Hyla Stanton
16 Hyla Stanton, President
17 Miracle Management Group, Inc.

18 By: Hyla Stanton
19 Hyla Stanton, Interim President
20 Risk Management Partners, Ltd.

21 Hyla Stanton
Hyla Stanton, Individually

22 ORIGINAL of the foregoing filed this 26th day
23 of August, 2005, in the office of:

24 Richard C. Houseworth
25 Superintendent of Banks
26 Arizona State Banking Department
ATTN: June Beckwith
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

1 COPY mailed same date to:

2 Daniel G. Martin, Administrative Law Judge
3 Office of the Administrative Hearings
4 1400 West Washington, Suite 101
Phoenix, AZ 85007

5 Craig A. Raby, Assistant Attorney General
6 Office of the Attorney General
7 1275 West Washington
Phoenix, AZ 85007

8 Michael Fowler, Manager
9 Richard Traveler, Senior Examiner
10 Arizona State Banking Department
2910 N. 44th Street, Suite 310
Phoenix, AZ 85018

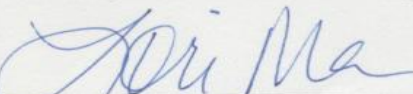
11 AND COPY MAILED SAME DATE by
12 Certified Mail, Return Receipt Requested, to:

13 Hyla Stanton, President
14 Miracle Management Group, Inc.
3003 N. 73rd Street, Suite 4
Scottsdale, AZ 85251
Petitioners

15 Hyla Stanton, President
16 Miracle Management Group, Inc.
2533 N. Carson Street
17 Carson City, NV 89706
Petitioners

18 Hyla Stanton, Interim President
19 Risk Management Partners, Ltd.
2533 N. Carson Street
20 Carson City, NV 89706
Petitioners

21 Michael Gerity, Esq.
22 Israel & Gerity, PLLC
3300 N. Central Avenue, Suite 2000
23 Phoenix, AZ 85012
Attorneys for Miracle Management Group, Inc.

24 
25

913912; CPA05-097

1 ARIZONA STATE BANKING DEPARTMENT

2 In the Matter of the Unlicensed Activity of:

No. 06F-BD002-BNK

3 **MIRACLE MANAGEMENT GROUP, INC.**
4 **AND HYL A STANTON, PRESIDENT;**
5 **AND RISK MANAGEMENT PARTNERS,**
6 **LTD.**

AFFIDAVIT OF HYL A STANTON

3003 North 73rd Street, Suite 4
Scottsdale, Arizona 85251

Petitioners.

9 STATE OF ARIZONA)
10 County of Maricopa) ss.

11 I, HYL A STANTON, being duly sworn upon oath, depose and state:

12 1. I am the President of Miracle Management Group, Inc.

13 2. As President of Miracle Management Group, Inc. I have consented to the execution
14 of the Consent Order to which this Affidavit is attached.

15 3. As Interim President of Risk Management Partners, Ltd. I have consented to the
16 execution of the Consent Order to which this Affidavit is attached.

17 4. Further, I have individually consented to the Consent Order to which this Affidavit is
18 attached.

19 5. Miracle Management Group, Inc./Risk Management Partners, Ltd. ("MMG/RMP")
20 and I shall pay the identified out-of-state client of MMG/RMP in the following amounts:

21	Benefatti, Charles and Delores	\$ 4,000.00
	Child, Jaime	1,699.00
22	Ferucci, Maria	7,471.12
	Garcia, Deborah Mahar	2,348.00
23	Graffeo, Mary T.	5,565.29
	Hall, Theresa	4,405.49
24	Johnson, Antone	4,675.00
	Kozma, Michael A.	0.00
25	Merie, Mo	4,169.00
	Minton, Jeff	4,047.03
26	Mitchell, Andrew James	10,711.75

EXHIBIT A

1	Montville, Daniel	2,409.00	
	Mueller, John and Ann	7,095.00	
2	Rukasin, Monique	7,000.00	(monies refunded/proof to be provided)
3	Saunders, Gregg	5,025.00	(monies refunded/proof to be provided)
4	Smith, Richard P.	4,929.00	
	Snyder, Bill	6,917.66	
5	Spataro, Jeannie	4,168.01	
	Vasquez, Suzanne (Emile)	2,799.00	
6	Wooten, Brenda and Robert	5,218.00	
7	Zbytniewski, Charles and Kristy	1,219.00	(monies refunded/proof to be provided)

8 TOTAL: \$95,871.35

9 Said amounts shall be paid before September 23, 2005.

10 6. Pursuant to the Consent Order I hereby agree to provide proof of payment as soon as
11 payment is made.

12 7. MMG/RMP and I shall pay the State of Arizona clients the amounts as identified
13 herein:

14	Achee, Jason	\$ 6,038.95
	Alexander, Richie	1,699.62
15	Bester, Daryl/Donna	250.00
	Chester, Paul	5,601.50
16	Gill, Seller	949.00
	Gongora, Andrew/Nakia	3,976.00
17	Henderson, Michael J.	1,516.00
	Parker, Tiffany	250.00
18	Rader, Sr., Richard/Nancy	6,474.10
	Reed, Amy	900.00
19	Robins, Cheryl/David	4,512.38
	Saewert, Sarah	5,500.00
20	Salgado, Michael/Melissa (former AZ res.)	6,580.63
21	Simrod, Mario	8,008.00
	Sunday, Laurie/Ronald	4,000.00
22	Watson, Dave/Jennifer (former AZ res.)	6,299.00

23 TOTAL: \$62,555.18

24 ...

Said amounts shall be paid before September 23, 2005. Proof of payment shall be provided before September 23, 2005 by means of Supplemental Affidavit and copy of cashier's check or other legitimate proof.

8. MMG/RMP and I state that the following amounts are due with regard to the following Arizona residents:

Alfaro, Janice	\$ 5,343.59	
Brown, Cameron	0.00	
Byrnes, Elsa	299.00	(canceled/did not use MMG)
Cardinale, Vincent/Evia	0.00	(MMG/RMP paid out excess funds)
Kent, Robert/Lynnea	0.00	
Kincaid, Camille R.	1,299.00	
Leduck, Carmen	4,801.95	
Madrigal, Monica M.	0.00	
Mantooth, Dolly	3,318.05	(refunded)
Martinez, Melody	0.00	
Mattice, Mary/Darren	9,000.00	
McCarrick, Doun L./Delinda	0.00	
McDonough, Della	4,574.00	
Rader, Jr., Richard	7,784.00	(refunded)
Richards, Colin/Ginger	800.54	
Zimmer, Eric	0.00	(not AZ client/no refund claimed)
TOTAL:	\$37,220.13	

9. It is my understanding that upon receipt of Affidavits of Arizona residents requesting restitution that the amount requested may be different than the amount I have indicated in paragraph 8. In that event, the provisions of the Consent Order as to resolution of disputes and amounts shall be implemented.

10. I hereby affirmatively state that I shall personally pay by September 23, 2005 those amounts not paid by MMG/RMP.

11. I further state that for all identified clients the ACH debit authorization cancellation has been executed.

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1 12. Further, any Arizona residents not identified in this Affidavit or in the Consent Order
2 shall be provided for pursuant to the terms of the Consent Order.

3 Further affiant sayeth not.


4 Dated: Aug. 26, 2005

5 *HYLA STANTON*
6 HYLA STANTON

7 Subscribed and sworn to me this 26th day of AUGUST, 2005, by

8 HYLA STANTON

9 *Joanne M. Costanza*
10 Notary Public

11 My Commission Expires:
12  Notary Public State of Arizona
Maricopa County
Joanne M. Costanza
920937, CA#05-997
Expires April 21, 2008